BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO, TXNM ENERGY, INC. AND TROY PARENTCO LLC FOR APPROVAL OF AN ACQUISITION AND MERGER OF TROY MERGER SUB INC. WITH TXNM ENERGY, INC.; APPROVAL OF A GENERAL DIVERSIFICATION PLAN; AND ALL OTHER AUTHORIZATIONS AND APPROVALS REQUIRED TO CONSUMMATE AND IMPLEMENT THIS TRANSACTION	)	**Case No. 25-00060-UT**
PUBLIC SERVICE COMPANY OF NEW MEXICO, TXNM ENERGY, INC. AND TROY PARENTCO LLC,	)	
JOINT APPLICANTS.	)	

REVISED TESTIMONY AND EXHIBIT

OF

JOSEPH D. TARRY

IN SUPPORT OF THE REVISED APPLICATION

September 15, 2026

NMPRC CASE NO. 25-00060-UT
INDEX TO THE REVISED TESTIMONY OF
JOSEPH D. TARRY

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SELF AFFIRMATION

REVISED TESTIMONY
OF JOSEPH D. TARRY
CASE NO. 25-00060-UT

I. INTRODUCTION AND PURPOSE OF REVISED APPLICATION AND REVISED TESTIMONY

Q. Please state your name and describe your role at PNM.

A. My name is Joseph D. Tarry. I generally go by Don Tarry. I am the President and Chief Executive Officer for Public Service Company of New Mexico ("PNM" or the "Company"). PNM is a vertically integrated utility headquartered in Albuquerque, New Mexico and regulated as a public utility by the New Mexico Public Regulation Commission ("Commission" or "NMPRC") under the Public Utility Act ("PUA"). PNM provides electric utility service to nearly 550,000 New Mexico residential and business customers throughout the state. I am also the President and Chief Executive Officer of TXNM Energy, Inc. ("TXNM"), the parent utility holding company for PNM. My business address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102.

I have executive oversight for TXNM and PNM, as well as for Texas-New Mexico Power Company ("TNMP"), a Texas utility subsidiary of TXNM. I joined PNM in 1996. My resume, together with a list of regulatory cases in which I have testified, is attached as JA Exhibit JDT-1.

Q. Please describe the purpose of this Revised Application.

A. The Joint Applicants are asking the Commission to approve the acquisition ("Acquisition") of TXNM by Troy ParentCo LLC ("Troy") as set forth in the Revised Application

("Revised Application").[1] Through the Acquisition, TXNM and PNM would become wholly-owned by Troy. Upon completion of the proposed Acquisition, TXNM will be the surviving corporation and a direct, wholly-owned subsidiary of Troy, which is owned and controlled by Blackstone Infrastructure. The formal corporate legal entities are described in more detail in the Revised Application, but the Commission can understand this transaction as involving PNM being acquired indirectly by Blackstone Infrastructure. The Joint Applicants request approval of the Acquisition; approval of PNM's Revised 2026 General Diversification Plan ("Revised 2026 GDP"), which replaces any previous diversification plans; and other approvals as set forth in the Revised Application.

The Revised Application and the Joint Applicants' revised testimonies and exhibits support the approvals requested from the Commission. As part of my revised direct testimony ("Revised Testimony"), I co-sponsor Revised Application Exhibits D and E (TXNM Proxy Statement and Merger Agreement) and Revised Application Exhibit G.[2]

[1] The Acquisition will be accomplished through a merger involving TXNM, Troy, and Troy's subsidiary, Troy Merger Sub Inc. ("Troy Merger Sub"). Troy Merger Sub will be merged into TXNM, and the separate corporate existence of Troy Merger Sub will cease. As the surviving corporation, TXNM will be a direct subsidiary of Troy. Troy is indirectly owned and controlled by Blackstone Infrastructure. Witness Sherman describes this Blackstone organizational structure in more detail in his testimony. "Blackstone Infrastructure," a term I use throughout my testimony, is an umbrella term that refers to Blackstone Infrastructure Management and the funds and accounts directly or indirectly controlled by them.

[2] No amendments were required to the Agreement and Plan of Merger, dated as of May 18, 2025 ("Merger Agreement"). However, on July 17, 2026, Troy ParentCo LLC and Troy Merger Sub Inc. and TXNM executed a Letter Agreement, Consent and a Waiver, which are included in Revised Application Exhibit G. These three documents, among other things, provide consent or waiver or detail other requirements related to the fact that more than year had passed since the execution of the Merger Agreement, as well detail the necessary steps for compliance with the Commission's Final Order issued in this proceeding on July 2, 2026.

Q. Why is a Revised Application being filed at this time with the Commission?

A. Concurrent with the signing of the Merger Agreement, TXNM entered into a Stock Purchase Agreement with Troy and Blackstone Infrastructure affiliate, Troy TopCo LP ("TopCo"), whereby TXNM sold TopCo 8 million shares of TXNM common stock for aggregate consideration of $400 million ("Financing Transaction"). The Financing Transaction closed on June 2, 2025. After the Joint Applicants filed the initial application with the Commission on August 25, 2025 ("Original Application"), intervenor Prosperity Works filed a motion on February 6, 2026, requesting that Joint Applicants show cause why the Financing Transaction was not void and of no effect under NMSA 1978, Section 62-6-12(A)(3)(c) and address the implications a violation of NMSA 1978, Section 62-6-12 may have on the pending Original Application. Joint Applicants, intervenors, and stakeholders subsequently engaged in a multi-month show cause proceeding. On July 2, 2026, the Commission found that the Financing Transaction was void and of no effect ("Show Cause Final Order"). While the Commission did not require Joint Applicants to withdraw or refile the Original Application, the Commission recognized that the "interests of administrative efficiency, procedural integrity, and fundamental fairness may require withdrawal, amendment, supplementation, or refiling of the Original Application so that it accurately reflects the current posture of the transaction and any steps taken to address the unauthorized stock acquisition."[3]

[3] Case No. 25-00060-UT, Final Order on Show Cause Proceeding, at 25, ¶ 77 (July 2, 2026) ("Show Cause Final Order").

Joint Applicants submit the Revised Application to reflect changes to account for the Commission's findings in the Show Cause Final Order. In particular, the Revised Application and supporting revised testimonies reinforce that this Acquisition will result in demonstrable benefits to customers, PNM and the State as a whole. My Revised Testimony also provides a framework to validate that the Joint Applicants will ensure effective Commission oversight of PNM post-Acquisition, which includes a renewed commitment to comply with all applicable laws and abide by the Commission's orders. Effective Commission oversight is accomplished with transparency, visibility, and accountability. The revised regulatory commitments that Witness Boyd discusses in her testimony ("Revised Regulatory Commitments") (Revised Application Exhibit B-1), in conjunction with the existing regulatory framework, support these important principles through voluntary and mandatory reporting, robust access to books and records, local management, strong governance, and clear standards for enforcement.

While this Revised Application is intended to fully replace the Original Application, the revisions build on a robust foundation. Specifically, each component of the Revised Application uses the Original Application and, where applicable, supplemental testimony as its base.[4] In addition, extensive clarifying discovery has been provided to the Commission and parties.[5] Built on the foundation of what has been before the Commission

[4] Since the filing of the Original Application, Supplemental Testimony was filed on February 16, 2026 and March 17, 2026. Witness Monroy explains that the supplemental testimony filed on February 16, 2026, provided additional detail on certain topics that the Commission stated in its Relevant Topics Order arise from its authority to review this Revised Application pursuant to Sections 62-6-12 and 62-6-13. Case No. 25-00060-UT, *Procedural Order Establishing Affirmatively Relevant Topics* (Jan. 16, 2026).

[5] The parties to this case have benefitted from the review of over 1,500 discovery responses, which includes the subparts to each issued interrogatory or request for production.

and the parties for the last year, the Revised Application provides sufficient information for the Commission to determine that this Acquisition is in the public interest.

Q. What is the rationale for the Acquisition?

A. The electric utility industry is changing, and PNM needs to change with it. Already a capital-intensive industry, the need for electric utilities to raise capital will only increase in the future. This is certainly true for PNM. PNM is undertaking a clean energy transition in compliance with the Energy Transition Act, modernizing and hardening the grid, and supporting economic development. We are also engaged in regional market efforts, including the build-out of transmission to deliver clean energy for our customers, the State's and region's growing needs. The Acquisition will position PNM to meet these challenges. As I discuss later in my Revised Testimony, partnering with Blackstone Infrastructure will provide PNM greater flexibility, and ongoing long-term support to meet PNM's increased need for capital. In fact, PNM's five-year capital needs have increased by $1.5 billion in just one year—growing from $3.4 billion for 2025-2029 to $4.9 billion for 2026-2030.

Blackstone Infrastructure represents a source of patient capital better matched to PNM's long-term investment horizon than public market funding that is subject to economic shifts and market swings. While PNM and Blackstone Infrastructure certainly expect to earn a reasonable return on investments, Blackstone Infrastructure does not place the same emphasis on short-term performance and annual returns that PNM faces with public shareholders.

Q. Can you briefly summarize the benefits from the proposed Acquisition?

A. First, Blackstone Infrastructure is a financially strong partner focused on long-term ownership. It brings significant resources to fund investments that will allow PNM to execute its vision of a clean energy future for our customers. Blackstone Infrastructure's knowledge gained from other companies in its portfolio will provide PNM with a base of expertise to tap into that can share best practices in cybersecurity, efficiently procure goods and services, and ensure access to debt markets; all of these benefit our customers.

Second, the Joint Applicants are providing both short-term and long-term benefits to our customers as set forth in the Revised Regulatory Commitments, including $105 million in immediate customer rate credits to be applied over an initial four-year period immediately following the closing, accompanied by an additional $115 million rate credit to be applied over a six-year period that follows the initial four-year period; $25 million, to be provided within 10 years, for utility infrastructure targeting pilot projects for virtual power plant ("VPP") infrastructure funding for utility-controlled demand management, subject to Commission approval of the program; $40 million to support and fund workforce and economic development over 10 years, with $25 million of the $40 million set aside for workforce development and $15 million committed for an economic development fund to promote economic development in New Mexico; and a commitment to fund PNM's 5-year capital investment plan. The Joint Applicants are committed to continuing PNM's community involvement and charitable giving and include a commitment to provide $15 million over 10 years to PNM's Good Neighbor Fund to help low-income customers.

Third, the Acquisition provides for the continued local operation of PNM with its headquarters in New Mexico and its current management team and employee base intact. These employees have the knowledge and relationships in our local communities that are vital to ensuring we remain focused on meeting the needs of customers and stakeholders.

Finally, the Revised Regulatory Commitments provide a number of protections to ensure that customers receive the intended benefits of the Acquisition and that the Commission retains its ability to hold PNM accountable. For example, governance and financial ring-fencing commitments are designed to insulate PNM from TXNM, Troy and their affiliates, allowing the Commission to maintain its regulatory oversight of PNM with ongoing transparency from the utility.[6] The Revised Regulatory Commitments also add a new section, Affiliate Transactions,[7] which promotes transparency for affiliate transactions and information sharing so that all parties are on a level playing field with Blackstone Infrastructure-affiliated interests. Revised Regulatory Commitment Nos. 17 and 18 also add new compliance and financial reporting requirements to further transparency and visibility.[8]

[6] I discuss these specific benefits and protections in more detail in Sections III and IV of my testimony.
[7] *See* Revised Regulatory Commitment Nos. 42 through 46.
[8] The Revised Regulatory Commitments also address certain labor-related issues, including jobs for local workers, contractor practices, and engagement with local stakeholders on the enforcement of certain statutory and regulatory obligations that pertain to workforce development. *See* Revised Regulatory Commitment Nos. 38-41, which are addressed in more detail by Witnesses Monroy and Boyd.

Q. Will anything change in terms of PNM's regulatory relationship with the Commission?

A. Nothing will change in terms of PNM's relationship with the Commission. The Commission will continue to have the same regulatory supervision over PNM that it has today. Troy is buying PNM as a regulated utility within a holding company structure. The Commission has regulated PNM in a holding company structure with PNM as a direct subsidiary of TXNM for over 20 years, and while TXNM will become a direct subsidiary of Troy, the Commission's regulatory oversight of PNM will not be impacted. My Revised Testimony, in Section VI below, indicates the Joint Applicants' renewed commitment to Commission oversight and regulation given the circumstances that arose in the Show Cause Final Order.

Q. Has the TXNM Board of Directors approved the Acquisition?

A. Yes, the TXNM Board of Directors has unanimously approved the Acquisition. A copy of the Proxy Statement provided to TXNM shareholders regarding the Acquisition is provided as Application Exhibit D.

Q. What approvals are necessary to complete the Acquisition and what is the status of those approvals?

A. In addition to the Commission, approvals were needed from the:

- TXNM Energy Shareholders;
- Public Utility Commission of Texas;
- Federal Energy Regulatory Commission;

- Federal Communications Commission ("FCC");
- United States Nuclear Regulatory Commission; and,
- A waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act").

TXNM shareholders approved the proposed Acquisition on August 28, 2025. The Acquisition has received approval from the Public Utility Commission of Texas, the Federal Energy Regulatory Commission, the United States Nuclear Regulatory Commission and the FCC,[9] as well as clearance under the waiting period required by the HSR Act.[10] The Acquisition remains subject to approval by this Commission. On July 17, 2026, TXNM and Troy agreed to extend the termination date under the Merger Agreement to May 31, 2027. The Acquisition will close after all regulatory approvals are received and all conditions for the closing have been met, subject to approvals and conditions.

Q. Please introduce the other witnesses filing testimony in support of the Revised Application.

A. The following witnesses provided direct testimony in support of the Original Application and are revising their testimony for this Revised Application:

- Witness Sean Klimczak, Troy/Blackstone Infrastructure. Witness Klimczak testifies regarding the proposed Acquisition, the investment philosophy of Blackstone

[9] The FCC approval expires on January 23, 2027. If the Acquisition does not close by that date, the Joint Applicants will seek an extension or obtain other further approval, as necessary.
[10] The clearance of the Acquisition under the HSR Act expires on January 12, 2027. If the Acquisition does not appear likely to close by that date, the Joint Applicants expect to restart the notification process for clearance under the HSR Act.

Infrastructure, why Troy is seeking to acquire PNM, and required commitments under 17.6.450 NMAC on behalf of Troy and Blackstone Infrastructure. Witness Klimczak's revised testimony addresses additional customer benefits that are being offered in the Revised Application. The revisions also reiterate Blackstone Infrastructure's commitment to PNM's capital needs and that PNM will remain under local management and control.

- Witness Henry Monroy, PNM. Witness Monroy, PNM's Chief Financial Officer, testifies regarding the Revised Regulatory Commitments made by Joint Applicants to ensure PNM customers are not harmed by the Acquisition, and will affirmatively benefit from the Acquisition. Witness Monroy's revisions to testimony address in detail how Joint Applicants complied with the Show Cause Final Order and address Staff's and other intervenors' concerns raised in its response to the Compliance Reports.[11] Witness Monroy's revisions also examine how the Revised Regulatory Commitments strengthen customer benefits, reinforce customer protections, and demonstrate that the Acquisition will not obstruct or impair the Commission supervision and regulation of PNM.

[11] The Joint Applicants filed their initial Compliance Report to Effectuate the Final Order on the Show Cause on July 27, 2026. Joint Applicants filed a Notice of Amended Compliance Report on August 10, 2026 ("Amended Compliance Report", collectively "Compliance Reports"). Case No. 25-00060-UT, Joint Applicants' Compliance Report to Effectuate the Final Order on the Show Cause (July 27, 2026); Case No. 25-00060-UT, Notice of Amended Compliance Report and Joint Applicants' Amended Compliance Report to Effectuate the Final Order on the Show Cause (Aug. 10, 2026). Staff filed its response to Joint Applicants' Compliance Reports on August 26, 2026. The following additional intervenors filed responses to the Compliance Reports on September 9, 2026: the New Mexico Department of Justice ("NMDOJ"), the New Mexico Affordable Reliable Energy Alliance ("NM AREA"), Prosperity Works, New Energy Economy and the New Mexico Consumer Protection Alliance, and Center for Biological Diversity. As noted by Witness Monroy, Joint Applicants' approach to issues raised in the responses to the Compliance Reports is two-fold: some of the more macro issues are addressed in this Revised Application, while the more detailed and factual information requested by Staff and other intervenors, as well as some of the legal arguments raised, will be addressed in a supplement to the Compliance Reports.

- Witness Sebastien Sherman, Troy/Blackstone Infrastructure. Witness Sherman testifies regarding how Blackstone Infrastructure works with the management of companies in which it invests, details of Blackstone Infrastructure's other investments and how Blackstone Infrastructure ownership can benefit PNM and our customers. Witness Sherman's revisions to his testimony address why he believes the Joint Applicants' compliance with the Show Cause Final Order demonstrates a commitment to Commission jurisdiction and oversight. Witness Sherman also explains how the Show Cause proceeding emphasized the necessity for continuous and open dialogue with Staff. The revisions reaffirm Blackstone Infrastructure's commitments to assist PNM's management team, to maintain PNM's local governance and control, and to utilize union labor and develop a local workforce.
- Witness Heidi Boyd, Troy/Blackstone Infrastructure. Witness Boyd testifies regarding the Revised Regulatory Commitments made by Joint Applicants. Witness Boyd's revisions to testimony address the increased customer benefits being offered in the Revised Application, the preservation and continuation of PNM's local management and control, and how PNM and PNM customers will be protected through ring-fencing measures, transparency filings and Commission oversight. Witness Boyd also testifies to the Joint Applicants' commitment to support union labor and local workforce development opportunities.
- Witness Professor Eric Talley, Joint Applicants. Witness Talley testifies regarding the private equity form of ownership, and in particular, private infrastructure fund ownership, and compares private ownership with public ownership in the regulated utility context. Witness Talley's revised testimony brings forward and makes current

certain TXNM/PNM financial and investment data to include 2025, in addition to removing references to the Financing Transaction.

- Witness Ellen Lapson, Joint Applicants. Witness Lapson testifies regarding credit rating agency and ring-fencing considerations to insulate the regulated utility PNM from the financial performance or influence of Blackstone Infrastructure and its affiliates. In Witness Lapson's revisions to testimony, she testifies to whether the Commission's Show Cause Final Order and the steps taken to comply with that order impact TXNM and PNM's credit ratings and future financial strength and viability. Witness Lapson also concluded that Joint Applicants' Revised Regulatory Commitments are sufficient and appropriate for protecting PNM and its customers.

Q. What topics do you cover in the remainder of your Revised Testimony?

A. My testimony covers the following topics:

- In Section II, I discuss the future challenges PNM faces, both in terms of its ongoing energy transition and other realities as we look to the future, which were all considerations in seeking a strong financial partner.
- In Section III, I discuss how Blackstone Infrastructure can address these challenges in partnership with PNM by providing long-term financial support.
- In Section IV, I focus on some specific benefits for PNM's customers and communities as a result of this Acquisition;
- In Section V, I provide a description of the post-merger corporate structure and affirm that this Acquisition complies with the statutory and regulatory requirements for Commission approval;

- In Section VI, my testimony describes why the Commission can find that, even with the issuance of the Show Cause Final Order, approval of the Acquisition remains in the public interest; and
- In Section VII, I summarize my testimony.

II. PNM's ENERGY TRANSITION AND OTHER CHALLENGES

Q. Where does PNM stand in its clean energy transition?

A. PNM is well along the path of a significant energy transition under New Mexico's Energy Transition Act ("ETA"). The ETA provides a path for PNM to supply New Mexico customers' electricity needs from 80 percent renewable energy resources by 2040, and the remaining 20 percent from carbon emissions-free resources by no later than 2045. PNM currently has a diverse mix of generation (nuclear, natural gas, solar, wind, geothermal and coal) and energy storage resources to meet customer needs. PNM's resource portfolio is expected to reach 78 percent carbon-free resources by the end of 2026, with that percentage projected to increase to 81 percent by 2028, based on PNM's recently approved resource plans.

Q. What challenges does PNM face going forward?

A. We face several significant challenges, most of them capital intensive. First, meeting the goals of the ETA has required PNM to add significant new resources to its system. Driving toward 100% carbon-free energy will require innovative technologies and system solutions that are likely to be more costly as we approach that 100% standard; put simply, the final phase of this energy transition will be the most difficult and expensive part of this journey. As we add new resources, this also requires increasing investment in our transmission

system to deliver electricity from these new sources to customers. Capital will also be required to harden PNM's infrastructure against increasing exposure to natural disasters, and to complete grid modernization initiatives already underway, including advanced metering infrastructure and distribution-related technological advancements. Finally, additional capital will be needed to respond to projected economic development and load growth that is being driven by overall increased demand and beneficial electrification of homes and businesses.

PNM Table JDT-1 below illustrates these increased future capital requirements over the next five years when compared to PNM's capital investment over the last ten years. On average, the current five-year capital budget of approximately $4.9 billion for PNM reflects an annual spend of approximately $988 million, which is higher than the previous ten-year average of approximately $461 million/year. PNM Table JDT-1 also shows that PNM is already on the upward slope of this increased capital spending, with the purchase of the Western Spirit transmission line in 2021 and higher sustained capital spending beginning in 2023.

PNM Table JDT-1 is the same table of projected capital spending provided in my direct testimony filed with the Original Application for the five-year period 2025-2029, which reflected a capital forecast of $3.4 billion. Since then, PNM's capital forecast for the five-year period 2026-2030 has increased by $1.5 billion, reflecting incremental investments needed to serve PNM's forecasted load growth, meet the requirements of the ETA, and

unlock access to new markets via transmission investments for the benefit of PNM's customers.

PNM Table JDT-1

	Historical									
$ in millions	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Transmission	62,965	108,722	98,092	108,003	195,947	455,910	121,187	193,172	210,243	82,571
Distribution	64,215	64,717	65,008	69,726	110,911	125,544	224,315	302,967	246,464	328,450
Generation	287,576	136,906	116,499	156,524	90,301	81,800	96,151	78,031	137,177	186,449
Total	414,756	310,345	279,599	334,253	397,159	663,254	441,653	574,170	593,884	597,470

	Projected				
$ in millions	**2026**	**2027**	**2028**	**2029**	**2030**
Transmission	177,954	372,197	271,477	622,241	14,560
Distribution	268,191	269,477	313,187	486,887	484,206
Generation	279,033	407,382	425,838	390,867	156,628
Total	725,178	1,049,056	1,010,502	1,499,995	655,394

Q. Can you also address these increasing capital requirements from the perspective of raising equity?

A. As PNM's capital spending requirements increase, raising equity sufficient to fund these capital requirements is an increasingly challenging concern. As a publicly traded company, TXNM's investors, particularly larger institutional investors, pay attention to TXNM's equity requirements. TXNM raised $592 million through equity offerings from 2015-2024, which is an average of about $59 million per year. Since the announcement of the proposed Acquisition, TXNM has raised $975 million through equity offerings over a 17-month period.[12] These issuances support TXNM's capital investments, including PNM's capital investments, while supporting TXNM's credit metrics. TXNM's ability to raise

[12] Includes $400 million of TXNM equity sold to TopCo in 2025, which was unwound and replaced with equity in 2026 in compliance with the Show Cause Final Order.

such substantial amounts of equity in a relatively short period of time is driven by positive investor impressions that this Acquisition will close, and these investors will get a near-term return on their investment when their shares are converted to cash at closing.

Looking forward, the total $2.4 billion increase in TXNM's five-year capital plan[13] will substantially increase TXNM's total equity funding need to support the Company's capital investments while maintaining adequate credit metrics. As described by Witness Lapson, mid-cap companies generally lack the name recognition or market dominance of large-cap companies. Absent the pending Acquisition, TXNM will again be subject to the fundamental limitations it faces as a mid-cap company competing with larger cap companies for future equity to support increasing capital expenditure needs. If the Acquisition is approved, the Revised Regulatory Commitments include a commitment to fully fund the equity portion of PNM's 5-year projected capital budget through equity contributions and/or the retention of dividends, subject to prudent budget revisions. Raising this equity in partnership with Blackstone Infrastructure presents several advantages that benefit our customers, which I discuss in full in Section III of my testimony.

Q. Are these capital requirement considerations unique to PNM?

A. No, though as a smaller utility these issues are more acute for PNM than for larger utilities. Across the nation, there is a much greater foreseeable demand for energy for all electric

[13] In addition to PNM's $1.5 billion increase in its five-year capital forecast, TXNM's other utility subsidiary, TNMP, also increased its five-year capital forecast by $0.9 billion.

utilities, given increasing computing needs, electric devices in the home and workplace, beneficial electrification, and electric vehicles. This reality not only increases competition for investment dollars, labor, and long-lived equipment but also requires increased regional coordination and infrastructure within the electric utility industry.

Q. Can you elaborate on how these issues more acutely impact a utility of PNM's size?

A. The Company at present does not have the size or market presence to take full advantage of opportunities that are developing regionally and nationally for new loads and for transmission development that can support customer growth and participation in regional markets, which will provide benefits to existing customers. However, through the partnership with Blackstone Infrastructure, PNM is better positioned to finance and invest in such opportunities for the benefit of our customers. This is evident in the $1.5 billion increase in PNM's current five-year capital forecast, discussed earlier. Incremental projects added to PNM's capital forecast since the announcement of the Acquisition include investments in transmission infrastructure that will support enhanced participation in regional markets and deliver low-cost wind resources to PNM's retail customers. PNM's ability to fund such a large capital investment plan while maintaining adequate credit metrics is supported by the pending Acquisition. As I previously described, TXNM raised $975 million of equity in a 17-month period after announcing the proposed Acquisition, and a significant amount of additional equity will be needed to help fund TXNM's and PNM's increasing capital plan. As discussed by Witness Lapson, issuing the large amount of equity required for the pending capital needs as a stand-alone company would be extremely challenging, both due to the difficulty of competing for investor

attention and the reality that such equity would be dilutive to existing shareholders, reducing their earnings per share in the near term and conflicting with public shareholders' focus on short-term earnings. The expectation of the pending Acquisition has supported TXNM's ability to raise the equity it needed to leverage opportunities for regional and customer growth.

Q. Has TXNM had to raise capital recently and did it experience any challenges with raising that capital?

A. As a result of the Show Cause Final Order, the Financing Transaction was declared void. In order to repay TopCo for the voided Financing Transaction, TXNM entered into a $400 million 30-month term loan with Wells Fargo Bank, National Association on July 17, 2026 ("Term Loan"). To avoid negative consequences to TXNM's credit ratings as a result of the Term Loan, TXNM needed to act quickly to replace the Term Loan with equity.[14] However, TXNM was concerned that an equity issuance during the pendency of the Acquisition could implicate Section 62-6-12 given the Commission's findings in the Show Cause Final Order, and thus, TXNM sought a declaratory order to ensure it would not violate the law with the equity issuance. The Commission issued its Order Granting Petition for Declaratory Order in Docket No. 26-0000153 on August 27, 2026, permitting TXNM to issue equity based on a defined set of criteria ("Declaratory Order"). After the issuance of this Declaratory Order, TXNM issued equity consistent with the Declaratory Order and repaid the Term Loan in full on September 4, 2026.

[14] As Witness Monroy states, given the timely repayment of the Term Loan with the issuance of new equity, the temporary impacts on TXNM's credit metrics as the result of the unwinding of the Financing Transaction have been remedied.

While this series of facts might be interpreted to mean that TXNM will not or does not have challenges raising capital through equity issuances, as I previously discussed, TXNM was able to successfully raise capital relatively quickly due to the positive expectation of investors that the Acquisition will close and that such investors will receive $61.25 per share of TXNM common stock per the terms of the Merger Agreement. In other words, the ability of TXNM to raise equity financing quickly in connection with this particular equity issuance is more a factor of investor sentiment regarding the likelihood of the Acquisition closing as opposed to the true market fundamentals that TXNM faces for attracting equity to the business.

Q. Is it viable for PNM to remain a stand-alone company?

A. Yes, it is viable for PNM to remain with our current publicly-traded corporate structure, and we would continue to invest in PNM's utility system. However, as a standalone public market-funded entity, PNM would not have the same degree of financial strength and backing that it would if the Acquisition is completed. As a practical matter, this would mean that needed capital investments in the forecast might have to be deferred.

Over time it is also likely that PNM as it currently exists would become less competitive in the financial and supply chain markets based on its relatively small size compared with other utilities across the nation. As other utilities and the industry become more consolidated, it would be increasingly difficult for a standalone PNM to timely meet customer needs and legislative mandates over the long term. In fact, the likelihood is that PNM's cost to serve customers would be higher.

The same is true for financing. Larger companies in the utility sector have better access to capital at more attractive rates, terms and conditions. It is likely that on a standalone basis, it would be more costly for PNM to meet its future financfing needs, which will lead to higher rates for customers. While PNM maintains an investment grade credit rating and has access to financing at reasonable prices in the market today, there is more and more competition for the billions of dollars necessary for the predicted utility growth across the western region and the country as a whole.

III. THE ADVANTAGES OF PARTNERING WITH BLACKSTONE INFRASTRUCTURE

Q. What are the advantages of partnering with financially sound private infrastructure investment funds like Blackstone Infrastructure, rather than remaining in the current corporate structure with TXNM as a publicly traded company?

A. As I noted, the future capital funding required by TXNM to meet the needs of PNM and TNMP, would be difficult to obtain in the public markets as a stand-alone mid-cap utility. As Witness Talley notes in testimony, TXNM's projected capital expenditure ratios over the next four years, whether viewing capital expenditures as a percentage of revenue or as a percentage of earnings, are substantially above industry average. For a utility of our size, there are inherent limitations and issues associated with equity issuances necessary to support that magnitude of capital investment, particularly in a public market, as discussed in more detail by Witness Talley. A private ownership structure with a partner like Blackstone Infrastructure that has access to capital will remove the barriers associated with TXNM's and PNM's small size and market limitations to allow for more ready access to

capital to support projected growth on our system and the investments needed to serve our customers.

Q. How will Blackstone Infrastructure help meet the financial needs of PNM in the future?

A. Blackstone Infrastructure can provide the equity needed to provide capital funding without the public market constraints relating to the utility's stock price and overall market capitalization. PNM will have a single investor that is already supportive of the investment decisions proposed by management. Through Troy, Blackstone Infrastructure has backstopped its commitment to fund PNM's projected $4.9 billion capital budget by giving the PNM board of directors ("PNM Board") the ability to prevent PNM from issuing dividends if its capital budget is not adequately funded. This financial support and assurance of a healthy financial footing for PNM demonstrates Blackstone Infrastructure's willingness and ability to provide the capital funding necessary.

Blackstone Infrastructure's financial backing and support and long-term view on capital will also position PNM to better respond to the need for transmission and load growth opportunities. As demonstrated in PNM's recent 20-year transmission study, the build out and expansion of transmission lines in New Mexico will play a critical factor in providing for grid stability and resiliency, connecting new generation sources to our load centers, unlocking the renewable potential in the state for the benefit of New Mexico and the western United States, and creating capacity for new load growth, which is key to addressing cost pressure on rates. As mentioned earlier, this support, in the form of investor

confidence in the Acquisition, has already allowed PNM to increase its forecasted capital needs to build new transmission to deliver low-cost wind resources to our customers. Supporting economic development investments under the recently passed Senate Bill ("SB") 170 will require additional capital investments that are better matched with Blackstone Infrastructure's investment philosophy than with the expectations of public-trading investors. Public investors may not have the willingness to absorb the regulatory lag that comes from the potential deferral of recovery of the SB 170 investments to a regulatory asset until new customer load or system benefits materialize. PNM's updated capital forecast reflects the promise of the pending Acquisition, as the forecast reflects PNM's commitment to these investments under SB 170 that otherwise would have been deferred. As Witness Sherman discusses in his testimony, Blackstone Infrastructure's philosophy of patient capital to invest for the long-term will provide PNM with the financial support to make these types of investments now that will benefit our customers in the long-term.

Q. Beyond the benefits of the financial support, how else does Blackstone Infrastructure provide benefits?

A. As Witness Sherman explains in more detail, Blackstone Infrastructure is a large-scale investor with over $90 billion of assets under management that deploys permanent capital to enable decades-long partnership and investment. Within the power & utility sector, Blackstone Infrastructure holds investments in FirstEnergy, Northern Indiana Public Service Company (NIPSCO), PPL Corporation (Invitium Energy, LLC), and Invenergy, the largest private renewables developer in the United States. This combination of

investment strength and understanding in the utility industry will benefit our customers. In addition to having the ability to fund capital intensive companies such as an electric utility, Blackstone Infrastructure is both familiar with the types of investments that PNM must make and also understands that any investment must be concretely tied to customer needs.

As discussed in more detail by Witness Sherman, Blackstone Infrastructure, as part of the larger Blackstone Inc. ("Blackstone") enterprise, is also able to make key operational resources available to PNM. This includes access to a network of key resources, including utility executives, who can provide additional knowledge and insights in areas critical to our operations, including for cybersecurity and supply chain issues. As part of Blackstone Infrastructure, PNM can also take advantage of Blackstone's other operational support provided to portfolio companies including, cybersecurity, software system implementation, and procurement and purchasing power. These additional tools and resources will aid with PNM's ability to control costs, which will benefit PNM's customers. One real-time example of how Blackstone Infrastructure can help customers is through their introduction of a business opportunity between PNM and Google X. PNM partnered with Google X on Grid Aware to enhance PNM's efficient management of the grid and provided valuable insights into grid reliability as PNM continues its energy transition. Blackstone's connection to innovative companies such as Google X will continue to create valuable benefits for PNM customers.

IV. THE JOINT APPLICANTS' REVISED REGULATORY COMMITMENTS WILL BENEFIT AND PROTECT CUSTOMERS AND COMMUNITIES

Q. What benefits do the Joint Applicants' Revised Regulatory Commitments bring to customers and communities?

A. In addition to the benefits inherent in Blackstone Infrastructure ownership that I have already described, the Joint Applicants' specific Revised Regulatory Commitments are designed to benefit customers; address corporate governance; ensure ongoing local control and management of PNM; support local labor; provide certainty to our employees; insulate PNM financially from TXNM, Troy and their other affiliates and subsidiaries; and ensure transparency and visibility for affiliate transactions. Witness Monroy discusses each of these commitments in detail in his Revised Testimony, and they are also set forth in their entirety in Revised Application Exhibit B-1. I do not repeat Witness Monroy's discussion here, but I do want to emphasize certain benefits of these Revised Regulatory Commitments relative to economic development, corporate governance, ongoing community involvement and support, and increased visibility and transparency regarding affiliate transactions. An overarching point I want to focus on initially is that each of these benefits is closely tied to Blackstone Infrastructure's belief in and support for local management.

Q. Why is local management so important to PNM and our customers?

A. A well-run utility must respond to the needs of its customer. Understanding customer needs depends on PNM having a shared experience with our customers as members of our communities. Also, realistic opportunities for expanding our customer base and loads are more readily identified when management understands the local and state economy and has personal and professional relationships with community and governmental leaders.

Finally, PNM values input from stakeholders and our strategies should not be made in a vacuum but should be informed with the perspectives and inputs of our stakeholders. I have seen firsthand that Blackstone Infrastructure supports these approaches to our customers and communities. In the past year, the Blackstone Infrastructure team has spent meaningful time on the ground listening to perspectives from a broad set of stakeholders in an effort to better understand the needs and priorities of the local community.

Q. Are there potential economic development benefits from the Acquisition?

A. Yes. One of the specific commitments will provide investment, at no cost to customers, in utility-directed VPP technology projects to further the clean energy transition in New Mexico. There are also commitments to contribute economic development funds for job training, apprenticeships, or scholarships in utility related areas of industry, and funding through targeted financial support to enable large economic development initiatives for New Mexico. Finally, investing in our electric grid, which we can do sooner and better backed by Blackstone Infrastructure capital, helps PNM continue to meet reliability standards necessary to foster broader economic development.

I believe that economic development is essential to developing beneficial load growth that will "grow the base" and ultimately drive more affordable rates for all customers. Economic development benefits existing customers because attracting new load and more customers spreads the significant fixed costs of the utility over a larger volume and greater number of customers. I believe the communities we serve, and the State as a whole, will benefit from the Acquisition because Blackstone Infrastructure's indirect ownership of

New Mexico's largest electric utility will generate economic interest in the state and spur new investments in other business sectors in New Mexico.

Q. Do the Revised Regulatory Commitments on corporate governance and "ring-fencing" support the ongoing ability to manage PNM at the local utility company level?

A. Yes. These are familiar commitments that the Commission has previously approved to insulate the regulated utility financially from its unregulated affiliates. PNM has operated as a wholly-owned subsidiary of a public utility holding company, TXNM, for more than 20 years. Generally speaking, these financial and ring-fencing protection commitments are already embedded in the existing corporate and regulatory framework under which PNM has operated as a TXNM subsidiary. As Witness Monroy discusses in his testimony, however, the governance provisions in the Revised Regulatory Commitments are additional protections that reinforce the financial and ring-fencing protections under which PNM currently operates.

With the filing of the Revised Application, the Joint Applicants have added additional governance and financial commitments to strengthen and clarify the benefits of the Acquisition. While Witnesses Monroy and Boyd discuss the Revised Regulatory Commitments in greater detail, an example of a strengthened commitment is Revised Regulatory Commitment No. 14, which increases the minimum capital expenditures that Blackstone Infrastructure is committing to invest in PNM over a five-year period from 2026 to 2030.

Q. How do the corporate governance Revised Regulatory Commitments regarding PNM's Board composition support PNM's management at the local utility company level?

A. Currently, the PNM Board is made up entirely of internal senior leadership. The proposed new structure will expand PNM Board membership beyond management in a balanced manner. As stated in the Revised Regulatory Commitments and addressed by Witness Boyd, the PNM Board will be comprised of nine directors. The PNM Board will include PNM's President and CEO, which will facilitate conveying management decisions to the PNM Board as part of a necessary element of corporate oversight. The PNM Board will also include Blackstone Infrastructure representatives with experience serving on other utility boards—anticipated to include Witnesses Sherman and Boyd—who will contribute meaningful insight into management actions and decisions and help PNM coordinate with Blackstone Infrastructure to ensure PNM's needs are addressed. There will also be one board member who is an executive or former executive with utility experience, lending additional utility-specific expertise to the PNM Board's key governance oversight. Finally, there will be five disinterested directors, which ensures a balanced perspective on management activities.[15] At least three of the disinterested directors will be residents of New Mexico. Based on my experience with both the PNM and TXNM Boards of Directors, this mix of directors, and specifically five disinterested directors and directors with varying backgrounds, will foster innovative decision-making while reinforcing that

[15] More discussion as to the benefits of a majority of the PNM Board being comprised of disinterested directors is discussed in the testimonies of Witnesses Boyd and Monroy.

the utility's corporate practices and financial health, based on local management decisions and input, are always "top of mind."

Q. What other protections are included in the Revised Regulatory Commitments in terms of the disinterested PNM Board members?

A. The Revised Regulatory Commitments ensure that the majority disinterested directors on the PNM Board have considerable oversight in several critical areas and will provide the Commission and stakeholders with assurances that decisions are not unduly influenced by Troy or Troy's upstream affiliates. Specifically, the PNM Board will have decision-making authority as provided by New Mexico law over PNM dividend policy, debt issuance, issuance of dividends or other distributions (other than tax distributions), capital expenditures, shared services fees, operation and maintenance expenditures, and appointment or removal of officers.[16] The authority over dividends is further supported by a regulatory commitment that states that a vote of the majority of the disinterested directors of the PNM Board (*i.e.*, 3 of 5) can prevent PNM from making any dividends, other than tax or other distributions, required to meet agreed debt-to-equity commitments. Any amendments or changes to the dividend policy must be approved by a majority vote of the PNM Board, including the affirmative vote of a majority of the disinterested directors. A

[16] While the PNM Board has significant decision-making authority, TXNM consent on PNM Board decisions is reserved for hiring and terminating any officer, and adopting, amending or deviating from the annual or multi-year budget or business plan or dividend policy of PNM. In other words, for hiring or firing a PNM officer, or for adopting, amending or deviating from a budget, a business plan or the dividend policy, TXNM and the PNM Board must have a common agreement. Consent rights like these are common for majority shareholders and are intended to protect them by enabling appropriate oversight of their investment.

majority of the disinterested directors may also prevent PNM from making dividends at any time during the first five years if the PNM Board reduces the capital expenditures below the current five-year plan trajectory based on limited equity financing availability. In addition, the compensation for the disinterested directors will not be tied to the financial, operating, or other performance of any entity or interest other than PNM. As a practical matter, these provisions in the Revised Regulatory Commitments mean the disinterested directors will exercise significant control over PNM investment decisions.

Q. Will PNM's community support initiatives be maintained if the Acquisition is approved?

A. Yes, PNM will continue to contribute to its communities through its corporate giving. The combined level of community support provided by PNM in the form of annual corporate giving has averaged approximately $2.7 million over the past 3 years. These contributions are funded entirely by TXNM shareholders. Community involvement is a core value for the Company that helps foster a positive workplace that focuses on employees as customers, as neighbors and as fellow community members.

Q. Will the Revised Regulatory Commitment to fund the Good Neighbor Fund for the next 10 years assist those customers with the largest need?

A. Yes. PNM's primary low-income assistance program, the Good Neighbor Fund, is a donation-driven program that aids low-income residential customers who may experience a financial hardship and fall behind on their electric bills. The incremental funding commitment of $15 million over 10 years ensures the Good Neighbor Fund program

remains well placed to provide resources for our low-income qualified customers. In addition to the Good Neighbor Fund, PNM and Blackstone Infrastructure support development of a low-income residential rate as a valuable tool to address cost pressures for low-income customers. As discussed in the Revised Testimony of Witness Monroy, PNM intends to propose a low-income residential rate in its next general rate case. PNM also offers income-qualifying energy efficiency programs as part of its overall energy efficiency portfolio that are approved by the Commission pursuant to the Efficient Use of Energy Act. The Acquisition will have no impact on these or any other existing customer programs or tariffed services.

V. REQUIRED AFFIRMATIONS FOR POST-CLOSING STRUCTURE

Q. As the Company's President and CEO, do you affirm that PNM will adhere to the various rules of the Commission?

A. Yes, I affirm that PNM will adhere to the affiliate transaction rules of the Commission. PNM will also remain a wholly-owned subsidiary of its current parent, TXNM, and TXNM will become an indirect subsidiary of Blackstone Infrastructure. The Revised 2026 GDP required for this Class II transaction, attached as Revised Application Exhibit F, includes a post-merger corporate organization chart demonstrating PNM's place in the Blackstone Infrastructure corporate structure for purposes of these affiliate transactions requirements. Witness Sherman provides additional detail on the corporate structure of Blackstone Infrastructure and its affiliated companies.

I also affirm that PNM will adhere to each of the following obligations under Rule 17.6.450.10(C) NMAC:

(1) the books and records of the utility will be kept separate from those of nonregulated business and in accordance with the Uniform System of Accounts;

(2) the Commission and its staff will have access to the books, records, accounts, or documents of the affiliate, corporate subsidiary, or holding company pursuant to NMSA 1978, Sections 62-6-17 and 62-6-19;

(3) the supervision and regulation of the public utility pursuant to the Public Utility Act will not be obstructed, hindered, diminished, impaired, or unduly complicated;

(4) the utility will not pay excessive dividends to its holding company, and the holding company will not take any action which will have an adverse and material effect on the utility's ability to provide reasonable and proper service at fair, just, and reasonable rates;

(5) the public utility will not without prior approval of the Commission:

(a) loan its funds or securities or transfer similar assets to any affiliated interest, or
(b) purchase debt instruments of any affiliated interests or guarantee or assume liabilities of such affiliated interests;

(6) all applicable statutes, rules, or regulations, federal or state, have been or will be complied with;

(7) when required by the Commission the utility will have an allocation study (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission; and

(8) when required by the Commission the utility will have a management audit (which will not be charged to ratepayers) performed by a consulting firm chosen by and under the direction of the Commission to determine whether there are any adverse effects of Class II transactions upon the utility.

VI. THE JOINT APPLICANTS' COMMITMENT TO COMMISSION OVERSIGHT POST SHOW CAUSE PROCEEDING

Q. Does this Revised Application account for the finding in the Show Cause Final Order?

A. Yes. The Commission's Show Cause Final Order noted that the Commission was concerned that voiding the Financing Transaction could affect the Acquisition's financing structure, transaction documents, accounting treatment, shareholder disclosures, claimed benefits and customer benefits.[17] The Commission's Show Cause Final Order strongly suggested that Joint Applicants should amend or supplement the Original Application to address these issues, which the Joint Applicants have now done. However, the fundamental structure of the transaction and the Acquisition under consideration by the Commission has not changed.

Q. Please address the effects of the Show Cause Final Order on the terms of the pending Acquisition.

A. Joint Applicants addressed the effect of the Show Cause Final Order in its Compliance Report that was filed in this proceeding on July 27, 2026 as well as the Amended

[17] Show Cause Final Order at 28, ¶ 87.

Compliance Report.[18] Generally speaking, the fact that the Financing Transaction was deemed void in the Show Cause Final Order has not changed the Joint Applicants' request for approval of the Acquisition. On July 17, 2026, the Troy Parties and TXNM executed a Letter Agreement that consented to certain actions associated with effectuating the Show Cause Final Order ("Letter Agreement"). Among other things, the Letter Agreement provided a mechanism to ensure that TXNM could secure debt, and subsequently equity financing, to repay TopCo the $400 million amount used to purchase shares that are now deemed void. Also, given the delay on the expected timing of Acquisition approval, the Letter Agreement and a contemporaneously executed Waiver also addressed certain terms of the Merger Agreement, including extending the end date of the Merger Agreement to May 31, 2027 (the "End Date").[19] The Letter Agreement also references a Consent Letter, which is attached as CONFIDENTIAL JA Exhibit E (PNM and Troy) to the Compliance Reports.[20] This Consent Letter provides Troy's consent for TXNM to continue to pay quarterly dividends to TXNM shareholders through the End Date, PNM and TNMP to engage in certain forward-looking debt financing transactions, and PNM and TNMP to make certain capital expenditures in the 12-month period ending December 31, 2027. The Letter Agreement, Waiver and Consent Letter, demonstrate the Joint Applicants' continued commitment to the Acquisition.

[18] Case No. 25-00060-UT, Joint Applicants' Compliance Report to Effectuate the Final Order on the Show Cause (July 27, 2026); Case No. 25-00060-UT, Notice of Amended Compliance Report and Joint Applicants' Amended Compliance Report to Effectuate the Final Order on the Show Cause (Aug. 10, 2026).
[19] The Letter Agreement and Waiver are included in Revised Application Exhibit G.
[20] The confidential Consent is incorporated by reference into Revised Application Exhibit G.

Q. How do TXNM and PNM understand the impact of the Show Cause Final Order on the statutory requirement that the Commission determine the proposed Acquisition is lawful and in the public interest?

A. The Commission has expressly indicated that the question of "[w]hether any aspect of the proposed transaction is unlawful, and if so, the nature and scope of such unlawfulness"[21] is an integral part of its ongoing review in this docket. Joint Applicants have renewed their request for approval of the Acquisition and have included updated information and exhibits in the Revised Application, Revised Regulatory Commitments, and supporting testimonies that supports a Commission determination that the proposed Acquisition is lawful. Joint Applicants have timely complied with the Commission's directives to remedy Joint Applicant's violation of Section 62-6-12 by entering into the Financing Transaction without prior Commission approval. Because the Financing Transaction has been voided, is of no effect and has been unwound, there is no other aspect of the proposed Acquisition that is unlawful.

Importantly, as part of this Revised Application, it is clear that Joint Applicants must demonstrate that—post Show Cause Final Order—the Acquisition is in the public interest because it not only provides concrete benefits and protections for customers, it also preserves the Commission's regulatory oversight and demonstrates that PNM, TXNM and Troy will comply with all applicable laws and regulations.

[21] Case No. 25-00060-UT, *Order Establishing Affirmatively Relevant Topics*, ¶ 9 (Jan. 16, 2026).

TXNM and PNM are committed to adhering to all applicable statutes, rules and Commission orders, now and after the approval of the Acquisition. I believe that the Revised Regulatory Commitments are designed to ensure that the Commission's jurisdiction and continued ability to regulate PNM under Troy's ownership of TXNM will not be hindered or impaired and that the Acquisition continues to be in the public interest.

The Commission's post-Acquisition oversight of PNM and its affiliate relationships with TXNM and Troy (and their affiliated interests) must remain as effective after the Acquisition as the Commission's exercise of its jurisdiction has been prior to the Acquisition. As a regulated public utility, PNM will continue to operate with transparency, visibility, and accountability. The Revised Regulatory Commitments require PNM to provide the Commission with timely data and information to verify that PNM and its holding company owners are complying with all statutory and regulatory obligations. The Revised Regulatory Commitments represent the means by which the Joint Applicants will facilitate the effectiveness of the Commission's ongoing jurisdiction and provide the Commission with tools and information that support transparency, visibility, and accountability for effective post-Acquisition regulatory oversight.

Q. How do the Revised Regulatory Commitments ensure transparency, visibility and accountability?

A. There are a number of examples in the Revised Regulatory Commitments, and when those commitments are considered in conjunction with existing requirements, the needed transparency, visibility and accountability is achievable.[22]

For example, Revised Regulatory Commitment Nos. 1-5 ensure accountability in terms of customer benefits and investment in New Mexico. Additionally, Revised Regulatory Commitment Nos. 9 and 10 will ensure that the PNM Board can be accountable for PNM's minimum capital spending commitment of $4.9 billion from 2026-2030. Accountability is also supported by Revised Regulatory Commitment Nos. 15 and 16, where the Joint Applicants commit that Commission jurisdiction over PNM will not be adversely affected and that amendments to the Revised Regulatory Commitments must be approved by the Commission.

Visibility, transparency, and accountability is reinforced by the newly proposed Revised Regulatory Commitment No. 17 because it provides that PNM, for all Revised Regulatory Commitments that have an ongoing obligation or are not yet complete, will file annual updates as part of the established reporting process for Annual Reports pursuant to 17.3.510 NMAC. Those annual updates will include a list of directors currently comprising the PNM Board. Revised Regulatory Commitment No. 17 will ensure that the Commission is

[22] Some of the Revised Regulatory Commitments in this discussion were proposed in the Original Application, but in conjunction with the revised commitments proposed and existing requirements support transparency, visibility and accountability.

continually kept abreast of PNM's compliance status and PNM Board composition. Likewise, new Revised Regulatory Commitment No. 18 advances visibility, transparency, and accountability because it requires that PNM will file with the Commission the financial statements that are largely consistent with the financial reporting it does now for the U.S. Securities and Exchange Commission—providing the Commission continued insight into PNM's financial health and outlook. The Joint Applicants also have proposed a number of new Revised Regulatory Commitments that are meant to provide greater transparency and oversight as to affiliate transactions (Revised Regulatory Commitment Nos. 42-46), ensuring that Blackstone's affiliates must compete on a level playing field and conduct all interactions with PNM at arm's length.

These Revised Regulatory Commitments are in addition to the stringent requirements in Commission regulations and PNM's Revised 2026 GDP. As I discussed above in Section V, above, PNM commits to adhere to the obligations under Rule 17.6.450.10(C) NMAC and the requirements of the Revised 2026 GDP. Thus, together the Revised Regulatory Commitments, Commission regulations and the Revised 2026 GDP demonstrate a commitment to continued Commission jurisdiction by increasing the transparency, visibility and accountability necessary for effective and enforceable oversight.

VII. CONCLUSION

Q. What is your recommendation to the Commission?

A. I recommend, and I request, that the Commission approve the Acquisition as consistent with the public interest. The Revised Application and supporting revised testimonies lay out the necessary information and evidence for the Commission to approve the Acquisition and grant the related requests, setting out the benefits that will follow from Blackstone Infrastructure's ownership of PNM. The Joint Applicants' Revised Regulatory Commitments further support Commission approval of the Acquisition. Those Revised Regulatory Commitments not only protect customers from any potential harm from the Acquisition, but also provide affirmative benefits to customers, our employees, and the communities we serve.

Q. Does this conclude your testimony?

A. Yes.

GCG#535786

Educational Background and Relevant Employment Experience for
Joseph D. Tarry

JA Exhibit JDT-1

Is contained in the following 2 pages.

JOSEPH D. TARRY
EDUCATIONAL AND PROFESSIONAL SUMMARY

Name: Joseph Don Tarry

Address: TXNM Energy, Inc.
MS 1295
414 Silver SW
Albuquerque, NM 87102

Position: President and Chief Executive Officer

Education: Bachelor of Accountancy, New Mexico State University, 1995
Certified Public Accountant in the State of New Mexico, February 1997
Certified Management Accountant, December 1998
Certified in Financial Management, August 1999

Employment: Employed by TXNM Energy since 1996.
Positions held within the Company include:

President and Chief Operating Officer
Senior Vice President and Chief Financial Officer
Vice President, Controller and Treasurer
Vice President, Finance and Controller
Vice President, Corporate Controller and Chief Information Officer
Vice President Customer Service and Chief Information Officer
Executive Director Financial Planning and Business Analysis
Controller, Utility Operations
Controller, Corporate
Controller, Assistant
Director, Wholesale Accounting and Cost of Service
Integrated Audit Manager
Senior Auditor

Testimony Filed:

- In the Matter of the Application of Public Service Company of New Mexico for Approval to Acquire an Ownership Interest in a Portion of Palo Verde Unit 2 Generating Asset and for Certain Rate Treatment, NMPRC Case No. 08-00018-UT, filed January 22, 2008

- In the Matter of the Resource Stipulation Concerning Public Service Company of New Mexico's Proposed Approval of the Valencia PPA, Acquisition of Beneficial Interest in PVNGS Unit 2 Ownership Trust and CCN for Luna Energy Facility and Lordsburg Generating Station, NMPRC Case No. 08-00305-UT, filed September 12, 2008.

- In the Matter of The Joint Application of Avangrid, Inc., NM Green Holdings, Inc., Public Service Company Of New Mexico and PNM Resources, Inc. For Approval of the Merger of NM Green Holdings, Inc. with PNM Resources, Inc.; Approval of a General Diversification Plan; and All Other Authorizations and Approvals Required to Consummate and Implement this Transaction, NMPRC Case No. 20-00222-UT, filed on November 23, 2020.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF PUBLIC SERVICE COMPANY OF NEW MEXICO, TXNM ENERGY, INC. AND TROY PARENTCO LLC FOR APPROVAL OF AN ACQUISITION AND MERGER OF TROY MERGER SUB INC. WITH TXNM ENERGY, INC.; APPROVAL OF A GENERAL DIVERSIFICATION PLAN; AND ALL OTHER AUTHORIZATIONS AND APPROVALS REQUIRED TO CONSUMMATE AND IMPLEMENT THIS TRANSACTION	**Case No. 25-00060-UT**
PUBLIC SERVICE COMPANY OF NEW MEXICO, TXNM ENERGY, INC. AND TROY PARENTCO LLC,	
JOINT APPLICANTS.	

SELF AFFIRMATION

In accordance with 1.2.2.35(A)(3) NMAC and Rule 1-011(B) NMRA, **JOSEPH D. TARRY, President and Chief Executive Officer, Public Service Company of New Mexico,** upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Revised Testimony and Exhibit of Joseph D. Tarry In Support of the Revised Application and co-sponsored exhibits** which are true and correct based on my personal knowledge and belief.

DATED this 15th day of September, 2026.

/s/ *Joseph D. Tarry*
JOSEPH D. TARRY